



Maryland Municipal League

The Association of Maryland's Cities and Towns

TESTIMONY

March 30, 2023

Committee: House Economic Matters

Bill: SB 828 - Family and Medical Leave Insurance Program - Modifications

Position: Support

Reason for Position:

The Maryland Municipal League (MML) supports Senate Bill 828, as amended, as it makes modifications to the State Family and Medical Leave Insurance Program. The Senate amendments address the concerns raised by MML over the implementation of this important program.

Employers need to know the process and criteria for the exemption to employers that provide an equal or higher level of benefits to their employees ahead of the mandatory contribution date in order to determine how to proceed with their own employer sponsored plan. Municipal governments as employers also have a July 1 fiscal year budget within which they need to operate, and mandating that contributions to the Fund start the next a fiscal year, as is in current law, makes budgeting very difficult.

SB 828 includes a provision that tasks the Department of Labor to adopt regulations by January 1, 2024 and an amendment that pushes the start date of mandatory employer contributions back to October 1, 2024. **The sequence of these two dates is critically important as it will allow municipal governments to prepare for contributions to the Fund or apply for an exemption based on the strength of the leave plan they offer their employees.**

While municipal governments are mostly recognized for the quality of life services they provide, they also employ almost 9,000 people in Maryland. Municipal governments often offer excellent fringe benefits, including generous leave policies, in order to compete with higher salaries offered in the private sector. It is these benefits that lead, in large part, to municipal governments having an incredibly high employee retention rate, and municipal governments would like to continue to offer them as an additional recruitment and retention incentive.

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MML and our members agree with the policy to create a State paid family leave program and with the above amendments, municipal governments will be able to continue to offer great benefits to their employees. As such the League supports the passage of SB 828, as amended by the Senate.

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